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facsimile transmission

m 145/022

To

Name/Company	Facsimile No.	Verification Phone No.
Steven F. Alder, Esq./Office of the Attorney General	(801) 538-7440	(801) 538-7227
Mr. Lowell P. Braxton/Utah Deptment of Natural Resources	(801) 359-3940	(801) 538-5340
Mr. Lee Brown/Magnesium Corporation of America	(801) 534-1407	(801) 532-1522

Date October 22, 2002

From Michael B. Guss, Esq.

Phone (212) 408-2355

Room No. 3322

No. of pages 2 (including this page)

Message

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DIVISION OF
OIL, GAS AND MINING

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October 22, 2002

VIA FACSIMILE

Steven F. Alder, Esq.
Assistant Attorney General
State of Utah
Office of the Attorney General
1594 West North Temple #300
Salt Lake City, Utah 84116

Re: Division of Oil Gas & Mining (the "Division") Request for Agency Action;
Magnesium Corporation of America, Docket No. 2002-004, No. M/045/022

Dear Mr. Adler:

It is my understanding that the Division may proceed in the above-referenced docket. As you know, Magnesium Corporation of America ("Magcorp") and its affiliate, Renco Metals, Inc. are currently debtors and debtors-in-possession in bankruptcy cases pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Section 362 of title 11, United States Code (the "Bankruptcy Code") stays, among other things, (i) any administrative or judicial proceeding to recover a claim (including contingent and unliquidated claims) that first arose prior to the commencement of Magcorp's bankruptcy case; and (ii) any action to obtain possession of or obtain control over property of Magcorp's bankruptcy estate. As such, any proceeding in the above-referenced docket is stayed.

Willful violations of section 362 of the Bankruptcy Code may result in the Bankruptcy Court exercising its discretion to sanction the entities that violate the automatic stay. Nevertheless, as previously stated to your office, Magcorp is willing to stipulate to relief from the automatic stay so that issues related to the knolls pond can be resolved by permitting a draw on the Magcorp bond (in the approximate amount of \$110,000) that is currently in place. Please contact me at your earliest convenience regarding the foregoing.

Very truly yours,



Michael B. Guss

cc: Mr. Lowell P. Braxton
Mr. Lee Brown
Joseph H. Smolinsky, Esq.

(VIA FACSIMILE)

(VIA FACSIMILE)